

House File 164 - Introduced

HOUSE FILE 164

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A BILL FOR

1 An Act establishing a property tax exemption for a principal
2 residence owned by a totally disabled individual or certain
3 elderly individuals and including applicability provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 427.1, Code 2011, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 38. *Disabled or elderly principal*
4 *residence.* A disabled or elderly principal residence shall be
5 exempt from taxation.

6 *a.* "*Disabled or elderly principal residence*" means a dwelling
7 owned and actually used as a home for a minimum of six months
8 during the most recent full calendar year by an individual
9 who is either completely disabled or an individual who is
10 sixty-five years of age or older and whose annual income is
11 seven thousand five hundred dollars or less. A disabled or
12 elderly principal residence shall also include so much of
13 the land surrounding the dwelling, including one or more
14 contiguous lots or tracts of land as is reasonably necessary
15 for use of the dwelling as a home not to exceed one hundred
16 sixty acres, and may consist of a part of a multidwelling or
17 multipurpose building and a part of the land upon which it is
18 built. A disabled or elderly principal residence does not
19 include personal property except that a manufactured or mobile
20 home may be a disabled or elderly principal residence. When a
21 person is confined in a nursing home, extended-care facility,
22 or hospital, the person shall be considered as occupying or
23 living in the disabled or elderly principal residence if the
24 individual is the owner and does not lease, rent, or otherwise
25 receive profits from other persons for the use of the residence
26 claimed as a disabled or elderly principal residence.

27 *b.* An application for this exemption shall be filed with the
28 assessor not later than February 1 of each year for which the
29 exemption is requested, on forms provided by the department of
30 revenue.

31 *c.* The application shall include all of the following, if
32 applicable:

33 (1) Proof of total disability of the claimant, if
34 applicable, on January 1 of the year in which the claim is
35 filed. Proof of total disability may be, but is not limited

1 to, the written certification of such total disability by
2 any two physicians licensed to practice in this state. For
3 purposes of this subsection, "*totally disabled*" means as defined
4 in section 425.17.

5 (2) Proof of age, if applicable.

6 (3) Evidence of income. For purposes of this subsection,
7 "*income*" means as defined in section 425.17.

8 (4) Legal description of the real estate for which the
9 claimant is seeking an exemption.

10 (5) Any additional information required by the director and
11 necessary to support a claim.

12 Sec. 2. IMPLEMENTATION OF ACT. The provisions in section
13 25B.7, relating to the obligation of the state to reimburse
14 local jurisdictions for property tax credits and exemptions, do
15 not apply to this Act.

16 Sec. 3. APPLICABILITY. This Act applies to assessment years
17 beginning on or after January 1, 2012.

18 EXPLANATION

19 This bill establishes a property tax exemption for disabled
20 or elderly principal residences. The bill defines "disabled or
21 elderly principal residence" as a dwelling owned and actually
22 used as a home for a minimum of six months during the most
23 recent full calendar year by an individual who is either
24 completely disabled or an individual who is 65 years of age
25 or older and whose annual income is \$7,500 or less. The bill
26 also provides that a disabled or elderly principal residence
27 includes so much of the land surrounding the dwelling,
28 including one or more contiguous lots or tracts of land as is
29 reasonably necessary for use of the dwelling as a home not to
30 exceed 160 acres, and may consist of a part of a multidwelling
31 or multipurpose building and a part of the land upon which it
32 is built. A disabled or elderly principal residence does not
33 include personal property except that a manufactured or mobile
34 home may be a disabled and elderly principal residence. The
35 bill specifies that when a person is confined in a nursing

1 home, extended-care facility, or hospital, the person shall be
2 considered as occupying or living in the disabled or elderly
3 principal residence if the individual is the owner and does not
4 lease, rent, or otherwise receive profits from other persons
5 for the use of the disabled or elderly principal residence.

6 The bill requires applications for the exemption to be filed
7 with the assessor not later than February 1 of each year for
8 which the exemption is requested, on forms provided by the
9 department of revenue. The bill specifies what information is
10 required in each application for the exemption.

11 The bill provides that the provisions in Code section 25B.7,
12 relating to the obligation of the state to reimburse local
13 jurisdictions for property tax credits and exemptions, does not
14 apply to the exemption in the bill.

15 The bill applies to property tax assessment years beginning
16 on or after January 1, 2012.